

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

RHP MASTER FUND, LTD.,

Plaintiff,

v.

**CELL THERAPEUTICS, INC.,
JOHN H. BAUER, JAMES A. BIANCO,
LOUIS A. BIANCO, VARTAN GREGORIAN,
RICHARD L. LOVE, MARY O'NEIL
MUNDINGER, PHILLIP M. NUDELMAN,
JACK W. SINGER, and FREDERICK W.
TELLING,**

Defendants.

CIVIL ACTION NO. 08-CV-4281

SUPPLEMENT TO COMPLAINT

Plaintiff RHP Master Fund, Ltd. ("RHP"), by its undersigned counsel, and pursuant to the Court's May 14, 2008 Order, hereby submits this Supplement to its Complaint, and in support thereof alleges as follows:

THE PARTIES

1. Plaintiff RHP is a limited company incorporated under the laws of the Cayman Islands (a territory of the United Kingdom), with its registered address at P.O. Box 1234 Queensgate House, South Church Street, Grand Cayman KY1-1108, Cayman Islands, B.W.I., and with its principal place of business in the Cayman Islands.

2. Defendant CTI is a Washington corporation with its principal place of business at 501 Elliott Avenue West, Suite 400, Seattle, Washington 98119.

3. Defendant John H. Bauer is, and at all relevant times was, a director of CTI, and is a citizen of the State of Washington, residing at 718 E. Aloha Street Apartment 10, Seattle, Washington 98102-4504.

4. Defendant James A. Bianco is, and at all relevant times was, a director, principal founder, President and Chief Executive Officer of CTI, and is a citizen of the State of Washington, residing at 10453 Maplewood Place SW, Seattle, Washington 98146-1076.

5. Defendant Louis A. Bianco is, and at all relevant times was, a member of CTI's Executive Management and its Executive Vice President of Finance and Administration, and is a citizen of the State of Washington, residing at 9443 45th Avenue SW, Seattle, Washington 98146-2636.

6. Defendant Vartan Gregorian is, and at all relevant times was, a director of CTI, and is a citizen of the State of New York, residing at 340 W 57th Street Apartment 18C, New York, New York 10019-3757.

7. Defendant Richard L. Love is, and at all relevant times was, a director of CTI, and is a citizen of the State of Texas, residing at 116 Boot Hill 4762 Horseshoe Bay, Texas 78657-5732.

8. Defendant Mary O'Neil Mundinger is, and at all relevant times was, a director of CTI, and is a citizen of the State of New York, residing at 200 Stuyvesant Avenue, Rye, New York 10580.

9. Defendant Phillip M. Nudelman is, and at all relevant times was, a director of CTI, and is a citizen of the State of Washington, residing at 2355 Hidden Beach Drive, Greenbank, Washington 98253.

10. Defendant Jack W. Singer is, and at all relevant times was, a director, founder, and chief medical officer of CTI, and is a citizen of the State of Washington, residing at 3515 E. Spring Street, Seattle, Washington 98122-5268.

11. Defendant Frederick W. Telling is, and at all relevant times was, a director of CTI, and is a citizen of the State of New Jersey, residing at 22 Briarwood Court, Woodcliff Lake, New Jersey 07677.

SUBJECT MATTER JURISDICTION

12. The Court has subject matter jurisdiction over this civil action pursuant to 28 U.S.C. § 1332(a)(2). Section 1332(a)(2) provides that district courts shall have original jurisdiction of all civil actions where the matter in controversy exceeds the sum or value of \$75,000, exclusive of interest and costs, and is between citizens of a State and citizens or subjects of a foreign state.

13. Complete diversity exists in this action because defendants are all citizens of New Jersey, New York, Texas, or Washington, and RHP is a foreign corporation , which is not a citizen of any of these States.¹

¹ For purposes of the jurisdictional analysis under Section 1332, courts have uniformly treated “limited companies” that are incorporated under the laws of the United Kingdom or of its territories – such as RHP here – like they would treat any other corporation – *i.e.*, as “juridical” entities distinct from their members. As such, an analysis of the citizenship of a limited company does not require consideration of the citizenship of the limited company’s members or shareholders. *See, e.g., JPMorgan Chase Bank v. Traffic Stream (BVI) Infrastructure Ltd.*, 536 U.S. 88, 97 (2002) (holding that Traffic Stream (BVI) Infrastructure Limited was a juridical entity and citizen of the United Kingdom for purposes of alienage diversity jurisdiction because it was organized under the laws of the British Virgin Islands, and declining to determine its citizenship according to that of its individual shareholders); *Wilson v. Humphreys (Cayman) Ltd.*, 916 F.2d 1239 (7th Cir. 1990) (considering Cayman Islands limited company’s citizenship of United Kingdom for purposes of alienage diversity jurisdiction); *Ciro, Inc. v. Gold*, 816 F. Supp. 253, 270 n.7 (D. Del. 1993) (analyzing citizenship of Intermediate Securities Limited according to place of incorporation in Cayman Islands and principal place of business in Freeport, Bahamas).

DATED: May 20, 2008

/s/ Charles L. Rombeau
Charles L. Rombeau (CR 2186)
BALLARD SPAHR ANDREWS & INGERSOLL, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
rombeauc@ballardspahr.com
(215) 864-8319
Attorneys for Plaintiff RHP Master Fund, Ltd.

OF COUNSEL:

Joel E. Tasca (PA ID No. 81363)
Benjamin M. Schmidt (PA ID No. 205096)
BALLARD SPAHR ANDREWS & INGERSOLL, LLP
1735 Market Street, 51st Floor
Philadelphia, PA 19103
tasca@ballardspahr.com
schmidt@ballardspahr.com
(215) 864-8188/8136

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of May, 2008, a true and correct copy of the foregoing Plaintiff Supplement To Complaint was served via regular and certified mail upon the following parties or their attorneys:

<p>Patrick J. Chudy, Esquire Heller Ehrman LLP Times Square Tower, 7 Times Square New York, NY 10036-6524 <i>Attorneys for Defendant Cell Therapeutics, Inc.</i></p> <p>John H. Bauer 718 E. Aloha St., Apt. 10 Seattle, WA 98102-4504</p> <p>James A. Bianco 10453 Maplewood Pl. SW Seattle, WA 98146-1076</p> <p>Louis A. Bianco 9443 45th Ave. SW Seattle, WA 98146-2636</p> <p>Vartan Gregorian 340 W 57th St. Apt. 18C New York, NY 10019-3757</p>	<p>Richard L. Love 116 Boot HL 4762 Horseshoe Bay, TX 78657-5732</p> <p>Mary O'Neil Mundinger 200 Stuyvesant Ave. Rye, NY 10580</p> <p>Phillip M. Nudelman 2355 Hidden Beach Dr. Greenbank, WA 98253</p> <p>Jack W. Singer 3515 E. Spring St. Seattle, WA 98122-5268</p> <p>Frederick W. Telling 22 Briarwood Ct. Woodcliff Lake, NJ 07677</p>
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Dated: May 20, 2008

/s/ Charles L. Rombeau
Charles L. Rombeau, Esquire